

## Message Text

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PAGE 01 REYKJA 01032 01 OF 04 040910Z  
ACTION EUR-12

INFO OCT-01 ISO-00 A-01 FBO-06 MMO-04 AS-01 /025 W  
-----078968 040916Z /13

R 031640Z AUG 77  
FM AMEMBASSY REYKJAVIK  
TO SECSTATE WASHDC 7508  
INFO AMEMBASSY LONDON

UNCLAS SECTION 1 OF 4 REYKJAVIK 1032

DEPT FOR ASSISTANT SECRETARY THOMAS

LONDON FOR RBMO (ROY MATSONGL

E.O. 11652: N/A  
TAGS: AMGT  
SUBJECT: CONGRESSIONAL INQUIRY

REF: STATE 173492 AND 175164

1. THE FIELD BUDHET ESTIMATE FOR FY 77 - 78 AND MOST  
CURRENT REPORT ON BUILDINGS IS OEING FORWARDED BY INTER-  
NATIONAL MAIL. IN THE MEANTIME, THEY ARE AVAILABLE  
FOR EUR/EX AND A/FBO.

2. BECAUSE OF THE CONTINUED FLUCTUATION OF THE ICELANDIC  
KRONUR IN RELATION TO THE U.S. DOLLAR, THE FOLLOWING  
FIGURES WERE DETERMINED, WHERE NECESSARY, BY USING AVERAGE  
EXCHANGE RATES:

1973 IKR. 88.00 EQUALS \$1.00  
1974 IKR. 95.00 EQUALS \$1.00  
1975 IKR. 152.00 EQUALS \$1.00;  
1976 IKR. 182.00 EQUALS \$1.00  
1977 IKR. 193.00 EQUALS \$1.00

3. REPLIES TO QUESTIONNAIRE:  
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A. DEPARTMENT OF STATE

PROPOSED  
FY 1977 FY 1977 FY 1978  
(INCLUDING TQ)

1. OFFICE OF CHIEF OF MISSION

A. OPERATING COST 195,777 148,772 169,812

## B. NUMBER OF U.S. FOREIGN

SERVICE OFFICERS	2	2	2
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## C. NUMBER OF U.S. FOREIGN

SERVICE STAFF	2	2	2
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## D. NUMBER OF LOCAL

EMPLOYEES	0	0	0
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## 2. POLITICAL SECTION

A. OPERATING COST	61,086	49,191	57,947
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## B. NUMBER OF U.S. FOREIGN

SERVICE OFFICERS	1	1	1
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## C. NUMBER OF U.S. FOREIGN

SERVICE STAFF	0	0	0
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## D. NUMBER OF LOCAL

EMPLOYEES	1	1	1
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## 3. ECONOMIC AND COMMERCIAL SECTION

A. OPERATING COST	81,461	65,231	77,767
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## B. NUMBER OF U.S. FOREIGN

SERVICE OFFICERS	1	1	1
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## C. NUMBER OF U.S.; \*9438&amp;

34;8:3 5-**	0	0	0
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## D. NUMBER OF LOCAL

EMPLOYEES	2	2	2
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## 4. CONSULAR SECTION

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A. OPERATING COST	52,220	41,395	49,606
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## B. NUMBER OF U.S. FOREIGN

SERVICE OFFICERS	1	1	1
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## C. NUMBER OF U.S. FOREIGN

SERVICE STAFF	0	0	0
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## D. NUMBER OF LOCAL

EMPLOYEES	1	1	1
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## 5. ADMINISTRATIVE SECTION

A. OPERATING COST	286,064	223,404	243,904
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## B. NUMBER OF U.S. FOREIGN

SERVICE OFFICERS	2	2	2
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## C. NUMBER OF U.S. FOREIGN

SERVICE STAFF	1	1	1
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## D. NUMBER OF LOCAL

EMPLOYEES	GU	6	6
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E. NUMBER OF MSG	6	6	6
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6. OTHER	N/A	N/A	N/A
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## B. OTHER AGENCIES

7. AGENCY FOR INTERNATIONAL

DEVELOPMENT	N/A	N/A	N/A
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PAGE 01 REYKJA 01032 02 OF 04 040936Z  
ACTION EUR-12

INFO OCT-01 ISO-00 A-01 MMO-04 FBO-06 AS-01 /025 W  
-----079282 040939Z /15

R 031640Z AUG 77  
FM AMEMBASSY REYKJAVIK  
TO SECSTATE WASHDC 7509  
INFO AMEMBASSY LONDON

UNCLAS SECTION 2 OF 4 REYKJAVIK 1032

8. UNITEVD STATES INFORMATION

AGENCY

A. OPERATING COST	225,327	227,010	226,024
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B. NUMBER OF U.S. FOREIGN

SERVICE OFFICERS	2	2	2
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C. NUMBER OF U.S. FOREIGN

SERVICE STAFF	0	0	0
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D. NUMBER OF LOCAL

EMPLOYEES	7	8	7
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9. DEPARTMENT OF DEFENSE

ATTACHE	N/A	N/A	N/A
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10. AGRICULTURE ATTACHE	N/A	N/A	N/A
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11. DRUG ENFORCEMENT

ADMINISTRATION	N/A	N/A	N/A
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12. OTHER	N/A	N/A	N/A
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13. N/A. THERE IS NO UNIMPROVED REAL PROPERTY OWNED BY THE  
U.S. GOVERNMENT IN ICELAND.

14. A AND B

ITEM: 1

LOCATION (ADDRESS): LAUFASVEG 21

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DESCRIPTION: CONCRETE; THREE FLOORS  
USE: OFFICE  
AMT. SQ. FT.: GROSS #792; NET 5609  
ESTIMATED FAIR MARKET VALUE: \$300,000  
OCCUPANT(S) AGENCY/POS/GRADE: STATE/CHANCERY  
OCCUPANT(S) CHARGES FEES: \$363  
ANNUAL MAINTENANCE EXPENSES: \$22,137

ITEM: 2

LOCATION(ADDRESS): LAUFASVEG 23  
DESCRIPTION: CONCRETE; THREE FLOORS  
USE: RESIDENCE  
AMT. SQ. FT.: GROSS 6178; NET 4833  
ESTIMATED FAIR MARKET VALUE: \$330,000  
OCCUPANT(S) AGENCY/POS/GRADE: STATE/COM/;--01  
OCCUPANT(S) CHARGES FEES: \$929  
ANNUAL MAINTENANCE EXPENSES: \$4,052

ITEM: 3

LOCATION(ADDRESS): THINGHOLTSTRAETI 34  
DESCRIPTION: WOOD HOUSE, STUCCO EXTERIOR, TWO FLOORS, ATTIC,  
CELLAR.  
USE: RESIDENCE  
AMT. SQ. FT.: GROSS 4890; NET 4163  
ESTIMATED FAIR MARKET VALUE: \$150,000  
OCCUPANT(S) AGENCY/POS/GRADE: STATE/MSG  
OCCUPANT(S) CHARGES FEES: \$132  
ANNUAL MAINTENANCE EXPENSES: \$2,215

15. A AND B

ITEM: 1

LOCATION(ADDRESS): EINIMELUR 8  
DESCRIPTION: REINFORCED CONCRETE, SPLIT LEVELS,  
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DETACHED HOUSE

USE: RESIDENCE  
AMT. SQ. FT.: GROSS 4086; NET 3756  
LENGTH OF LEASE: 5 YEARS  
ANNUAL COST OF LEASE: \$9476  
ANNUAL MAINTENANCE EXPENSE: \$1372  
OCCUPANT(S) AGENCY/POS/GRADE: STATE/DCM/FO2  
OCCUPANT(S) CHARGE FEES: NONE

ITEM: 2

LOCATION(ADDRESS): BERGSTADASTRAETI 52  
DESCRIPTION: REINFORCED CONCRETE: ONE FLOOR, APT. OVER SHOP

PREMISES

U E: RESIDENCE

AMT.SQ. FT.: GROSS 1291; NET 1146

LENGTH OF LEASE: 3 YEARS

ANNUAL COST OF LEASE: \$3600

ANNUAL MAINTENANCE EXPENSE: \$444

OCCUPANT(S) AGENCY/POS/GRADE: STATE/SEC/FS7

OCCUPANT(S) CHARGE FEES: NONE

ITEM: 3

LOCATION(ADDRESS): NESHAGA 16

DESCRIPTION: REINFORCED CONCRETE; THREE FLOORS, ENTIRE BLDG.

EXCEPT FOR SMALL LOCAL POST OFFICE

USE: LIBRARY, OFFICE, EXHIBITION CENTER AND FILM AUDITORIUM

AMT. SQ. FT.: GROSS 10,667 NET 9171

LENGTH OF LEASE: 5 YEARS

ANNUAL COST OF LEASE: \$10,827

OCCUPANT(S) AGENCY/POS/GRADE: USIA

OCCUPANT(S) CHARGE FEES: NONE

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ACTION EUR-12

INFO OCT-01 ISO-00 A-01 MMO-04 FBO-06 AS-01 /025 W

-----079499 041000Z /15

R 031640Z AUG 77

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC 7510

INFO AMEMBASSY LONDON

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ITEM: 4

LOCATION(ADDRESS): THORSGATA 12

DESCRIPTION: REINFORCED CONCRETE, ONE FLOOR, APT. IN SIX

APT HOUSE

USE: RESIDENCE

AMT. SQ. FT.: GROSS 0457; NET 1311

LENGTH OF LEASE: 3.25 YEARS

ANNUAL COST OF LEASE: \$2760

ANNUAL MAINTENANCE EXPENSE: \$651

OCCUPANT(S) AGENCY/POS/GRADE: TATE/SEC/FS5

OCCUPANTS(S) CHARGE FEES: VNONE

ITEM: 5

LOCATION(ADDRESS): MIMISVEG 6  
DESCRIPTION: REINFORCED CONCRETE,; ONE FLOOR, APT IN TWO  
FLOOR HOUSE.  
USE: RESIDENCE  
AMT. SQ. FT.; GROSS 1598; NET 1448  
LENGTH OF LEASE: 3.25 YEARS  
ANNUAL COST OF LEASE: \$2760  
ANNUAL MAINTENANCE EXPENSE: \$0037  
OCCUPANT(S) AGENCY/POS/GRADE: STATE/SEC/FS7

OCCUPANT(S) CHARGE FES: NONE

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1#. CHANGES IN EXCHANGE RATES HAVE NOT CEPT PACE WITH RISING  
HOUSING COSTS.; BETWEEN FEBRUARY 1975 AND MARCH 1977, THE  
ICELANDIC CRONUR DEPRECIATED IN VALUE BY 22 PERCNT, WHEREAS THE  
RENTAL COMPONENT OF THE COST OF LIVING INDEX ROSE FROM 224 TO  
454 DURING THE SAME PERIOD.

A AND B

ITEM: 1

LOCATION(ADDRSS): SUNNUVEG 5  
DESCRIPTION: REINFORCED CONCRTE, DETACHED HOUSE, TWO FLOORS  
USE: RESIDENC  
AMT. SQ.; FT.; GROSS 3457; NET 3110  
LENGTH OF LEASE: 2 YEARS  
ANNUAL COST OF LEASE: \$7200  
ANNUAL MAINTNANCE EMPENSE: \$1952  
OCCUPANT(S) AGENCY/POS/GRADE: USIA/PAO.FO3

OCCUPANT(S) CHARGE/FEES: NONE

ITEM: 2

LOCATION(ADDRESS): SAFAMYRI 73  
DESCRIPTION: REINFORCED CONCRETE, ONE FLOOR APT. IN TWO FLOOR  
HOUSE  
U E: RESIDENCE  
AMT. SQ. FT.; GROSS 1450; NET 1375  
LENGTH OF LEASE: 1 YEAR  
ANNAUL COST OF LEASE: \$900  
ANNUAL MAINTENANCE EXPENSE: INCLUDED IN RENT  
OCCUPANT(S) AGENCY/POS/GRADE: STATE.MSG/NCOIC  
OCCUPANT(S) CHARGE FEES: NONE

ITEM: 3

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LOCATION (ADDRESS): LA FASVEG 17  
 DESCRIPTION: REINFORCED CONCRETE, 9 GARAGES, 3 ROOMS  
 USE: GARAGE AND STORAGE

MT. SQ. FT.: GROSS 3313; NET 3303  
 LENGTH ON LEASE: 2.8 YEARS  
 ANNUAL COST OF LEASE: \$7557  
 ANNUAL MAINTENANCE EXPENSE: INCLUDED IN RETN  
 OCCUPANT(S) AGENCY/POS/GRADE: STATE  
 OCCUPANT(S) CHARGE FEES: NONE

17. FY-77 FY-76 FY-75 FY-74 FY-73  
 (INC. TQ)

## AMBASSADOR'S RESIDENCE

## A. EXPENSES

--OPERATING	13,010	13,900	12,600	10,800	5,800
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-

MAINTENANCE	3,500	4,375	3,175	3,300	2,800
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--REFURNISHING	-	-	200	300	400
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--REMODELING	-	-	-	-	-
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B. SUPPLEMENTAL EXPENSES: NONE

## DCM'S RESIDENCE

## A. EXPENSES

--OPERATING	-	-	-	-	1,170
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-

MAINTENANCE	0,372	1,080	760	767	600
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--REFURNISHING	-	-	-	-	-
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--REMODELING	-	-	-	-	-
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B. SUPPLEMENTAL EXPENSES: NONE

18. UNITS:; 5

19. GRADE NUMBER

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FSO-4 1

FSO-5 2

FSO-# 1

FSR-7 0

20. GRADE:; --01 NUMBER: 0 AMOUNT OF ALLOWANCE: 13,010

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ACTION EUR-12

INFO OCT-01 ISO-00 FBO-06 A-01 MMO-04 AS-01 /025 W  
-----081318 041229Z /53

R 031640Z AUG 77  
FM AMEMBASSY REYKJAVIK  
TO SECSTATE WASHDC 0000  
INNO RUDTC/AMEMBASSY LONDON 1435

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21. UTILITIES FURNITURE MAINTENANCE

C.O.M.	ALL	ALL	(1)
D.C.M.	ALL	ALL	(1)
SECRETARY (COM)	ALL	ALL	(1)
SECRETARY (DCM)	ALL	NONE	(1)
SECRETARY (ADMIN)	ELEC.(2)	ALL	(1)

(1) EMBASSY RESPONSIBLE FOR ALL C.O.M. RESIDENCE MAINTENANCE.  
EMBASSY HANDYMAN OCCASIONALLY ASISTS OTHER EMPLOYEES IN STGL  
PROPERTY WITH MINOR MAINTENANCE PROBLEMS.  
(2) LANDLORD PROVIDES HEATING.

22. EMBASSY ASSISTS NEW EMPLOYEES IN LOCATING HOUSING. A  
WELCOME KIT OF FURNITURE, LINEN, AND KITCHEN UTENSILS ARE  
PROVIDED TO ARRIVING AND  
DEPARTING PERSONNEL WHILE THEIR  
EFFECTS ARE IN TRANSIT. EMBASSY HANDYMAN PROVIDES EMERGENCY  
MAINTENANCE.

23. HOUSING MANAGEMENT MAN-YEARS .10  
HOUSING MAINTENANCE MAN-YEARS .30

24. HOUSING SUPPORT PROVIDED BY THE DEPARTMENT IS GENERALLY  
ADEQUATE GIVEN THE CIRCUMSTANCES IN ICELAND (SEE NO. 25 AND  
26). THE CIRCUMSTANCES IN THE RECENT PAST HAVE CALLED FOR  
FLEXIBILITY AND THE DEPARTMENT HAS ACTED TO MEET EMBASSY  
NEEDS.

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25. HOME OWNERSHIP IS MORE COMMON THAN RENTING IN ICELAND AND CONSEQUENTLY THE RENTAL MARKET IS RELATIVELY LIMITED AND EXPENSIVE. COMPETITION FOR RENTAL HOUSING PLUS INFLATION HAVE REQUIRED THE EMBASSY TO REQUEST SIGNIFICANT HOUSING ALLOWANCE INCREASES WHICH THE DEPARTMENT HAS AUTHORIZED.

26. THE POST HAS TOO FEW PERSONNEL TO JUSTIFY BUILDING OR BUYING HOUSES OR DWELLINGS. A SIGNIFICANT CHANGE IN THE FAMILY STATUS OF AMERICAN PERSONNEL ALSO ARGUES AGAINST SUCH OUTLAY. EMBASSY WOULD THEREFORE RECOMMEND MEDIUM-TERM LEASING OF PREFERRED PROPERTIES IN AVAILABILITY. SUCH PROPERTIES ARE AVAILABLE FOR A LIMITED PERIOD, E.G. WHILE THE OWNER IS ABROAD ON ASSIGNMENT OR STUDYING.

27. A. 3  
B. NONE

TITLE	GRADE
CHIEF OF MISSION	A-01
DEPUTY CHIEF OF MISSION	FSO-
ECONOMIC/COMMERCIAL OFFICER	FSO-4
POLITICAL OFFICER	FSO-5
ADMINISTRATIVE OFFICER	FSO-5
CONSULAR OFFICER	FSO-6

TITLE	GRADE
SECRETARY	FSS-6
SECRETARY	FSS-7
COMMUNICATIONS AND RECORDS OFFICER	FSR-7

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SECRETARY	FSS-9
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30. THERE IS NO DIFFERENCE IN TREATMENT BY THE HOST COUNTRY TO THOSE ACCORDED WITH OR WITHOUT DIPLOMATIC STATUS. UNDER ICELANDIC LAW A FOREIGNER CAN OWN REAL PROPERTY, E.G. HOUSE, PROVIDED A PERMIT HAS BEEN REQUESTED FROM THE MINISTRY OF JUSTICE. SUCH A PERMIT FOR THE PURPOSE OF BUYING A HOME TO LIVE IN IS NOT DIFFICULT TO OBTAIN.

31. TITLE: CHIEF OF MISSION  
GRADE: A-01  
NUMBER OF HOUSEHOLD STAFF: 2  
ANNUAL COST: \$1,300

32. NAME OF ACCOUNT, USDO-RFC 7800 (LANDSBANKI ISLANDS)

PURPOSE: RFC

BALANCE A OF 6/0/77; \$119,816.31 (RATE OF EXCHANGE:

IKRGM 194.50 EQUALS \$1.00)

DEPOSITORY: USDO-RFC, LEON LERCHBAUM.

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 10  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 173492  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
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**SAS ID:** 1403119  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONGRESSIONAL INQUIRY  
**TAGS:** AMGT  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/13bd8c4e-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009